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box 15939
Japan-general I

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 31, 1952

SUBJECT: Application of Japanese Banks to Do Business in the State of New York

PARTICIPANTS: Mr. Sugiyama, First Secretary, Japanese Embassy
Mr. Hutchinson, MM
Mr. Hennendinger, NA

COPIES TO: CFB FE NA
Treasury Department
Federal Reserve Board
American Embassy, Tokyo
Mr. Walker, CP

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY W. Hall DATE 9-30-82

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Mr. Sugiyama stated that the Bank of Tokyo, the Bank of Chiyoda and the Bank of Osaka had been designated by the Japanese Government to open offices in New York. The Bank of Tokyo presented an application to the Superintendent of Banks in the State of New York on the 29th of July; the other two had not yet applied. He said that the Japanese Government was desirous of obtaining a reciprocal treatment since there were three American banks which were licensed to do business in Japan. They were desirous of being licensed to do not only a foreign business but also a domestic business, since the three American banks are allowed to do such business in Japan. Mr. Sugiyama indicated that his Government did not appear to understand the effect of the state laws of the United States in so far as domestic banking business was concerned. Mr. Sugiyama asked that the Department of State support the Japanese applications.

Mr. Hutchinson and I replied that we were not at all sure that it would be either necessary or fitting for the Department of State to approach the New York Superintendent of Banks. We undertook to consult on that question with other agencies concerned, and to consider whether an approach to the Superintendent of Banks would be appropriate. With respect to complete reciprocity, we commented that this problem was involved in the negotiations for a treaty of friendship, commerce and navigation now going on in Tokyo. Neither Mr. Hutchinson nor myself were completely informed on the subject, but we were sure that a full explanation of the United States position either had been or would be forthcoming in the course of those talks. We emphasized that in our system it would probably be necessary to respect the state laws.

FE:NA:Hennendinger:ref
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